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# ANNUAL AUDITED REPORT

**FORM X-17A-5** SEC

## PART III

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Section

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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2016 AND ENDING 12/31/2016  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Ascendant Securities LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

**18881 Von Karmon Avenue - 16th Floor**

(No. and Street)

**Irvine**

**CA**

**92612**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael O. Brown

404-303-8840 Ext 1005

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**ANTON & CHIA, LLP**

(Name - if individual, state last, first, middle name)

**23501 Jamboree Road, Suite 540**

**Newport Beach**

**CA**

**92660**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒  
☐  
☐

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

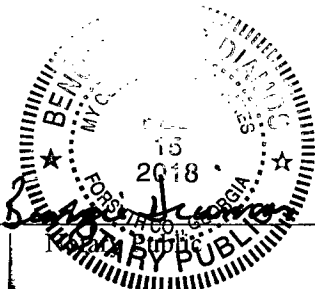
SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, Michael Brown, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ascendant Securities LLC, as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None



Michael Brown

Signature

CFO / Financial Principal

Title

This report ~~is~~ contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**ASCENDIANT SECURITIES, LLC**  
**REPORT PURSUANT TO RULE 17a-5(d)**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**

This report is filed in accordance with Rule 17a-5 (e)(3) under the  
Securities Exchange Act of 1934 as a **PUBLIC DOCUMENT**

**ASCENDIANT SECURITIES, LLC**

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## CERTIFIED PUBLIC ACCOUNTANTS

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Ascendant Securities, LLC

We have audited the accompanying financial statements of Ascendant Securities, LLC (the "Company") (a California corporation), which comprise the statement of financial condition as of December 31, 2016, and the related statements of operations, changes in member's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The computation of Net Capital Pursuant to Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Anton & Chia, LLP

Newport Beach, CA  
February 28, 2017

**ASCENDIANT SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2016**

**ASSETS**

Cash	\$ 18,299
Other assets	<u>841</u>
	<b><u>\$ 19,140</u></b>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	\$ 4,049
Income taxes and penalties payable	<u>7,782</u>

*Total liabilities* 11,831

**COMMITMENTS AND CONTINGENCIES** (Notes 4 and 5)

**MEMBER'S EQUITY** (Note 3) 7,309

**Total liabilities and member's equity** **\$ 19,140**

**ASCENDIANT SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

***NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

**Organization and Business**

Ascendant Securities, LLC (the “Company”) was incorporated in the state of Nevada on August 19, 2003 and commenced operations on January 20, 2004. The Company is wholly owned by Ascendant Capital Group, LLC (“ACG” or the “Parent”). The Company is registered with the Securities and Exchange Commission (the “Commission”) as a broker-dealer in securities and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

**15c3-3 Exemption**

The Company, under Rule 15c3-3(k)(2)(i), is exempt from both the customer reserve requirement and the possession and control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash consists of cash in banks. The recorded value of cash (and any other financial instruments) approximates fair value at December 31, 2016. For purposes of the financial statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2016, the Company had no cash equivalents.

**Revenue Recognition**

Revenue is recorded upon the close of the related transaction. Revenue associated with the Company’s securities’ transactions is recognized on a settlement date basis. Securities owned and contracts to purchase securities in the future are recorded at market value, and accordingly, any changes in market value are recognized in the statement of income. Market value is based on prices obtained from active exchanges (established exchanges and “over-the-counter” exchanges) in the United States.

**Reclassification**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**ASCENDIANT SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**Income Taxes**

All income and losses of the Company are passed through to the Parent and the Parent reports these on its income tax return. There is no entity level tax for the Company for federal purposes. The state of California imposes an \$800 annual tax and a gross receipts fee based on the total income from all sources reportable to the state.

**Income Taxes (continued)**

The Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. Penalties of \$333 have been recognized for the year ended December 31, 2016, also a balance for accrued tax liability was adjusted based on FTB claim provided to a company by \$2,996 reduction.

**NOTE 2 - GOING CONCERN**

For the Company to stay compliant as a public entity, we will have to comply with numerous financial reporting and legal requirements, including those pertaining to audits and internal control. The costs of this compliance could be significant. If our revenues are insufficient, and/or we cannot satisfy many of these costs through the issuance of our shares, we may be unable to satisfy these costs in the normal course of business that would result in our being unable to continue as a going concern.

**NOTE 3 - NET CAPITAL**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2016, the Company had net capital and net capital requirements of \$6,468 and \$5,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 1.83 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOTE 4 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

The Company may be obligated to pay management fees to ACG for general and administrative support provided to the Company. However, ACG determined that for the year ended December 31, 2016 such fee would not be due by the Company due to the lack of activity in the Company until such time as the Company recommences business. ACG contributed \$6,100 to capital during the year ended December 31, 2016.

**NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS  
AND UNCERTAINTIES**

The Company's financial instruments, including prepaid expenses, deposits, accounts payable and accrued expenses and income taxes and penalties payable, are carried at amounts that approximate fair value, due to the short-term nature of the instruments.



**ASCENDIANT SECURITIES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS  
AND UNCERTAINTIES (continued)**

During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include certain agreements with the Company's officers, under which the Company may be required to indemnify such persons for liabilities arising out of their current relationship. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make any payments for these obligations and as of December 31, 2016 there are no known liabilities required to be recorded for these indemnities and guarantees in the accompanying financial statements.

At times, the Company may maintain cash balances in excess of the FDIC limit of \$250,000. At December 31, 2016, the Company did not have a cash balance that was in excess of the FDIC limit.



## CERTIFIED PUBLIC ACCOUNTANTS

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of  
Ascendant Securities, LLC

We have reviewed management's statements, included in the accompanying Exemption Report in which (1) Ascendant Securities, LLC identified the following provision of 17 C.F.R 15c3-3k under which Ascendant Securities, LLC claimed an exemption from 17 C.F.R 240.15c3-3: (2)(i) the exemption provisions and (2) Ascendant Securities, LLC stated that Ascendant Securities, LLC met the identified exemption provisions throughout the most recent fiscal year without exception Ascendant Securities, LLC management is responsible for compliance with the identified exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly included inquiries and other required procedures to obtain evidence about Ascendant Securities, LLC compliance with the exemption provisions review is substantially less in scope than an examination the objective of which is the expression of an opinion on management's statements. Accordingly we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated in all material respects based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities and Exchange Act of 1934.

/s/ Anton & Chia, LLP

Newport Beach, CA  
February 28, 2017

**ASCENDIANT SECURITIES, LLC**

**EXEMPTION REPORT  
PURSUANT TO RULE 15c3-3**


December 31, 2016

**ASCENDIANT SECURITIES, LLC** (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- 1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 ("Customer protection - reserves and custody of securities") under the provisions of 17 C.F.R. §240.15c3-3(k)(2)(i) as the Company is an introducing broker dealer who clears all transactions with and for customers on a fully disclosed basis with another clearing broker.
- 2) The Company met the exemption provision in 17 C.F.R. §240.15c3-3(k)(2)(i) during the period of January 1, 2016 through December 31, 2016 without exception.

**ASCENDIANT SECURITIES, LLC**

I, Michael O. Brown affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

  
\_\_\_\_\_  
Michael O. Brown  
CFO & Financial Operations Principal

February 27, 2017